PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in this style type, and deletions will appear in this style type.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or *this style type* reconciles conflicts between statutes enacted by the 1998 General Assembly.

HOUSE ENROLLED ACT No. 1750

AN ACT to amend the Indiana Code concerning education.

Be it enacted by the General Assembly of the State of Indiana:

SECTION 1. IC 20-1-1-6.3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 6.3. (a) As used in this section, "governing body" refers to the governing body of a school corporation.

- (b) As used in this section, "program" "plan" refers to an Indiana school academic improvement program established under this section. a strategic and continuous school improvement and achievement plan developed under IC 20-10.2-3.
- (c) The board shall permit the governing body to establish an Indiana school academic improvement program
- (c) A plan must conform to the requirements of IC 20-10.2-3 and include a professional development program that conforms to section 6.5 of this chapter.
- (d) The governing body may do the following for a school that participates in the program: a plan:
 - (1) Invoke a waiver of any rule adopted by the board (except a rule adopted under this section). in accordance with IC 20-10.2-3-4(b).
 - (2) Develop a plan for the admission of students to the school who do not reside in the school's attendance area but who have legal settlement within the school corporation.











- (d) (e) In approving school corporations under this section, the board shall consider whether the governing body has done the following: for participation in the program:
 - (1) Established an Indiana school academic improvement program.
 - (2) Adopted academic education goals.
 - (3) Established a community-wide strategy for achieving those academic goals.
 - (4) Developed a report eard for measuring a participating school's progress in achieving those academic goals.
 - (5) Demonstrated community support for participation in the program, including Approved a school's plan.
 - (2) **Demonstrated** the support of the exclusive representative only for the professional development program component of the plan.
- (e) With the approval of the governing body, the board may designate a single school, more than one (1) school, or every school within a particular school corporation to participate under this section.
- (f) With the approval of the governing body, The board may waive any statute or rule relating to curriculum or textbook selection on behalf of a school or school corporation participating under this section. in accordance with IC 20-10.2-3-4(c).
- (g) Funds available for school improvements under IC 20-10.1-26 (twenty-first century schools pilot program) may be expended to fund the program.
- (h) (g) As part of the program, plan, the governing body may develop and implement a plan policy to do the following:
 - (1) Allow for the transfer of a student who resides in the school's attendance area but whose parent or legal guardian requests that the student attend another school within the school corporation of legal settlement.
 - (2) Allow a school that has established a program to offer alternatives to participation in the program.
 - (3) (2) Inform parents of their rights under this section.
- (i) (h) The board shall adopt rules under IC 4-22-2 to implement this section.

SECTION 2. IC 20-1-1-6.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: **Sec. 6.5.** (a) **As used in this section, "board" refers to the state board of education established under section 1 of this chapter.**

(b) As used in this section, "department" refers to the department of education established under IC 20-1-1.1-2.



- (c) As used in this section, "governing body" has the meaning set forth in IC 20-10.1-1-5.
- (d) As used in this section, "plan" refers to an Indiana school academic plan established under section 6.3 of this chapter.
- (e) As used in this section, "program" refers to a professional development program.
- (f) As used in this section, "superintendent" has the meaning set forth in IC 20-10.1-1-6.
- (g) A school shall develop a program as a component of a plan established by the school.
- (h) The following apply to a program developed under this section:
 - (1) The program must emphasize improvement of student learning and performance.
 - (2) The program must be developed by the committee that develops the school's strategic and continuous improvement and achievement plan under IC 20-10.2-3-1.
 - (3) The program must be integrated with the school's strategic and continuous improvement and achievement plan developed under IC 20-10.2-3.
- (i) A school committee shall submit the school's program to the superintendent for the superintendent's review. The superintendent:
 - (1) shall review the plan to ensure that the program aligns with the school corporation's objectives, goals, and expectations;
 - (2) may make written recommendations of modifications to the program to ensure alignment; and
 - (3) shall return the program and any recommendations to the school committee.
- (j) A school committee may modify the program to comply with recommendations made by the superintendent under subsection (i).
- (k) A school committee shall submit the program as part of its plan to the governing body. The governing body shall:
 - (1) approve or reject the program as part of the plan; and
 - (2) submit the program to the board as part of the plan for the school.
- (l) The board may approve a school's program only if the program meets the board's core principles for professional development and the following additional criteria:
 - (1) To ensure high quality professional development, the program:



- (A) is school based and collaboratively designed, and encourages participants to work collaboratively;
- (B) has a primary focus on state and local academic standards, including a focus on Core 40 subject areas;
- (C) enables teachers to improve expertise in subject knowledge and teaching strategies, uses of technologies, and other essential elements in teaching to high standards;
- (D) furthers the alignment of standards, curriculum, and assessments; and
- (E) includes measurement activities to ensure the transfer of new knowledge and skills to classroom instruction.
- (2) A variety of resources, including needs assessments, an analysis of data regarding student learning needs, professional literature, research, and school improvement programs, are used in developing the program.
- (3) The program supports professional development for all stakeholders.
- (4) The program includes ongoing professional growth experiences that provide adequate time and job embedded opportunities to support school improvement and student learning, including flexible time for professional development that provides professional development opportunities before, during, and after the regular school day and school year.
- (5) Under the program, teacher time for professional development sustains instructional coherence, participant involvement, and continuity for students.
- (6) The program includes effective, research based strategies to support ongoing developmental activities.
- (7) The program supports experiences to increase the effective use of technology to improve teaching and learning.
- (8) The program encourages diverse techniques, including inquiry, reflection, action research, networking, study groups, coaching, and evaluation.
- (9) The program includes a means for evaluating the effectiveness of the program and activities under the program.
- (m) The board shall approve an evaluation system for professional development based on recommendations from the department and the professional standards board. The department shall develop a means for measuring successful programs and activities in which schools participate. The measurements must include the following:



- (1) A mechanism to identify and develop strategies to collect multiple forms of data that reflect the achievement of expectations for all students. The data may include the results of ISTEP tests under IC 20-10.1-16, local tests, classroom work, and teacher and administrator observations.
- (2) A procedure for using collected data to make decisions.
- (3) A method of evaluation in terms of educator's practice and student learning, including standards for effective teaching and effective professional development.
- (n) A school qualifies for a grant from the department when the school's program, developed and submitted under this section, is approved by the board upon recommendation of the department. For purposes of determining whether a school qualifies for a grant under this chapter, the department shall:
 - (1) review;
 - (2) suggest changes to; and
- (3) recommend approval or rejection of; a school's program.
- (o) A school must use a grant received under this chapter to implement all or part of the school's program by funding activities that may include the following:
 - (1) Partnership programs with other entities, including professional development schools.
 - (2) Teacher leadership academies, research teams, and study groups.
 - (3) Workshops, seminars, and site visits.
 - (4) Cooperative programs with other school corporations.
 - (5) National board certification for teachers.
- (p) A school may contract with private or public sector providers to provide professional development activities under this section.
 - (q) A grant received under this section:
 - (1) shall be expended only for the conduct of activities specified in the program; and
 - (2) shall be coordinated with other professional development programs and expenditures of the school and school corporation.
- (r) A school shall report to the department concerning the use of grants received under this chapter. A school that fails to make a report under this section is not eligible for a subsequent grant.

SECTION 3. IC 20-1-1.2-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 2. (a) A school in

Indiana may be accredited:

- (1) under the performance based accreditation system established by this chapter; or
- (2) by implementing a quality focused approach to school improvement such as the criteria for the Malcolm Baldrige National Quality Award for Education or for a national or regional accreditation agency that is recommended by the education roundtable and approved by the board.
- (b) The board shall establish the following:
 - (1) A performance-based accreditation system for accrediting schools in Indiana under this chapter. The accreditation system adopted under this chapter must be the only accreditation system authorized by the board.
 - (2) A procedure for determining whether a school is making progress toward meeting the criteria for the Malcolm Baldrige National Quality Award for Education or a national or regional accreditation agency.
- (b) (c) The department shall establish a schedule for accrediting schools under this chapter.

SECTION 4. IC 20-1-1.2-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 6. (a) Each school shall submit to the department the following benchmarks:

- (1) Graduation rate.
- (2) Attendance rate.
- (3) ISTEP scores, or, for a freeway school, scores on a locally adopted assessment program, if appropriate, including the number and percentage of students:
 - (A) meeting an advanced standard; or
 - (B) meeting a proficient standard.
- (4) Actual class size.
- (5) The number and percentage of students in the following groups or programs:
 - (A) At risk.
 - (B) Vocational education.
 - (C) Special education.
 - (D) Gifted or talented.
 - (E) Remediation/preventative remediation.
 - (F) Technology preparation.
- (6) Advanced placement, including the following:
 - (A) For advanced placement tests, the number and percentage of students:
 - (i) scoring three (3), four (4), and (5); or



- (ii) participating.
- (B) For the Scholastic Aptitude Test, the number and percentage of students:
 - (i) above a designated proficient score;
 - (ii) above a designated advanced score; or
 - (iii) participating.
- (7) Course completion, including the number and percentage of students completing the following programs:
 - (A) Academic honors diploma.
 - (B) Core 40 curriculum.
 - (C) Vocational programs.
- (8) The percentage of graduates who pursue higher education.
- (9) School safety, including the number and percentage of students receiving suspension or expulsion for the possession of alcohol, drugs, or weapons.
- (10) Financial information relevant to performance.
- (b) The superintendent and board shall determine which of the benchmarks under subsection (a) and indicators of performance listed in IC 20-1-21-9 are appropriate benchmarks for performance based accreditation under IC 20-1-1.3-3. this chapter.

SECTION 5. IC 20-1-1.2-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 7. (a) The department shall (1) review the information submitted under section 6 of this chapter relative to the socioeconomic factors of and resources available to that particular school under section 5 of this chapter; and (2) determine whether the school has complied with the following legal standards for accreditation:

- (A) (1) Health and safety requirements.
- (B) (2) Minimum time requirements for school activity.
- (C) (3) Staff-student ratio requirements.
- (D) (4) Curriculum offerings.
- (E) (5) Development and implementation of a staff evaluation plan under IC 20-6.1-9.
- (F) (6) Development and implementation of a beginning teacher internship program under IC 20-6.1-8.
- (G) (7) Completion of a school improvement plan that:
 - (i) (A) analyzes the strengths and weaknesses of the school;
 - (ii) (B) outlines goals of the school community to which school improvement activities will be directed; and
 - (iii) (C) identifies objectives of the school and programs designed to achieve those objectives.
- (b) In no event may the objectives identified under subsection

(a)(2)(G)(iii) be less than the level of performance expected for that school under section 5 of this chapter:

SECTION 6. IC 20-1-1.2-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 8. (a) If the department determines that:

- (1) a school has complied with all of the legal standards under section 7(a)(2) section 7 of this chapter; and
- (2) the school's performance has met the expectations for that school in the areas described in section 6 of this chapter;

the board shall make a determination that the school has acquired full accreditation status.

(b) The next review under this chapter of a school described under subsection (a) shall be conducted no later than five (5) years after the board's determination of full accreditation.

SECTION 7. IC 20-1-1.2-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 9. (a) If the department verifies that:

- (1) a school has not complied with all of the legal standards under section 7(a)(2) section 7 of this chapter; or
- (2) the school's performance has not met the expectations for that school in the areas described in section 6 of this chapter;

a review panel of at least three (3) members shall conduct an onsite evaluation of that school in order to make a recommendation to the board as to the accreditation status of that school.

(b) The department may not publish or otherwise make available for public inspection any information concerning a school's compliance with legal standards under section 7(a)(2) section 7 of this chapter, the meeting of performance expectations under section 6 of this chapter, the assignment of an onsite review panel under section 9 of this chapter, or the recommended accreditation status of the school until all onsite reviews have taken place and recommendations to the board concerning the accreditation status of schools have been made.

SECTION 8. IC 20-1-1.2-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 11. (a) During its on-site onsite evaluation, a review panel shall review the following for a school:

- (1) Teaching practices and administrative leadership in instruction.
- (2) Parental and community involvement.
- (3) Implementation of the ISTEP remediation program under IC 20-10.1-17 and the educational opportunity program for at-risk children.



- (4) The homework policy.
- (b) In addition to its review under subsection (a), the review panel shall verify compliance with the legal standards for accreditation set out in section 7(a)(2) section 7 of this chapter.

SECTION 9. IC 20-1-1.3-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 3. The board shall implement the performance-based award and incentive program to recognize and reward schools that have exhibited relative improvement toward the performance benchmarks and indicators of performance listed in IC 20-1-21-9 that are determined to be appropriate for the school by the superintendent and board. including the following benchmarks:

- (1) Graduation rate.
- (2) Attendance rate.
- (3) ISTEP scores under the ISTEP program or a locally adopted assessment program used by a freeway school, including the number and percentage of students:
 - (A) meeting an advanced standard; or
 - (B) meeting a proficient standard.
- (4) Actual class size.
- (5) The number and percentage of students in the following groups or programs:
 - (A) At risk.
 - (B) Vocational education.
 - (C) Special education.
 - (D) Gifted or talented.
 - (E) Remediation/preventative remediation.
 - (F) Technology preparation.
- (6) Advanced placement, including the following:
 - (A) For advanced placement tests, the number and percentage of students:
 - (i) scoring three (3), four (4), and (5); or
 - (ii) participating.
 - (B) For the Scholastic Aptitude Test, the number and percentage of students:
 - (i) above a designated proficient score;
 - (ii) above a designated advanced score; or
 - (iii) participating.
- (7) Course completion, including the number and percentage of students completing the following programs:
 - (A) Academic honors diploma.
 - (B) Core 40 curriculum.



- (C) Vocational programs.
- (8) The percentage of graduates who pursue higher education.
- (9) School safety, including the number and percentage of students receiving suspension or expulsion for the possession of alcohol, drugs, or weapons.
- (10) Financial information relevant to performance.

SECTION 10. IC 20-1-21-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 7. A report must contain the following:

- (1) The benchmarks **and indicators of performance** listed in section 9 of this chapter for each of the preceding three (3) years.
- (2) Additional components determined under section 8(4) of this chapter.
- (3) A comparison of the benchmarks described in section 9(1) through 9(3) of this chapter to performance based accreditation goals developed under IC 20-1-1.2.
- (4) Additional information or explanation that the governing body wishes to include, including results of assessments of students under programs other than the ISTEP program that a school corporation uses to determine if students are meeting or exceeding academic standards in grades that are not tested under the ISTEP program.

SECTION 11. IC 20-1-21-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 8. The state superintendent and the Indiana state board of education, in consultation with school corporations, educational organizations, and appropriate state agencies, and other organizations and individuals having an interest in education, shall develop and periodically revise the following for the benchmarks and indicators of performance under section 9 of this chapter and the additional components of the performance report:

- (1) Reporting procedures, including the following:
 - (A) A determination of the information that a school corporation must compile and the information that the department must compile.
 - (B) A determination of the information required on a school by school basis and the information required on a school corporation basis.
 - (C) A common format suitable for publication, including tables, graphics, and explanatory text.
- (2) Operational definitions.
- (3) Standards for implementation.

- (4) Additional components for the report that may be benchmarks, **indicators of performance,** or other information.
- (5) Targets identified in performance based accreditation goals developed under IC 20-1-1.2 for certain benchmarks and a reporting system that measures schools and school corporations against the targets.

SECTION 12. IC 20-1-21-9, AS AMENDED BY SEA 235-1999, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 9. The report must include the following benchmarks **or indicators of performance:**

- (1) Graduation rate.
- (2) Attendance rate.
- (3) The following test scores, including the number and percentage of students meeting academic standards:
 - (A) ISTEP test scores.
 - (B) Scores for assessments under IC 20-10.1-16-15, if appropriate.
 - (C) For a freeway school, scores on a locally adopted assessment program, if appropriate.
- (4) Actual class size.
- (5) The number and percentage of students in the following groups or programs:
 - (A) At risk.
 - (B) Vocational education.
 - (C) Special education.
 - (D) Gifted or talented.
 - (E) Remediation and preventive remediation.
- (6) Advanced placement, including the following:
 - (A) For advanced placement tests, the number and percentage of students:
 - (i) scoring three (3), four (4), and **five** (5); or and
 - (ii) participating.
 - (B) For the Scholastic Aptitude Test:
 - (i) test scores; and
 - (ii) the number and percentage of students participating.
- (7) Course completion, including the number and percentage of students completing the following programs:
 - (A) Academic honors diploma.
 - (B) Core 40 curriculum.
 - (C) Vocational programs.

HEA 1750

- (8) The percentage of graduates who pursue higher education.
- (9) School safety, including the number and percentage of







y

students receiving suspension or expulsion for the possession of alcohol, drugs, or weapons.

- (10) Financial information **and various school cost factors** relevant to performance.
- (11) Technology accessibility and use of technology in instruction.
- (12) Staff professional development, including the type and extent of opportunities available.
- (13) Student mobility rates.
- (14) Number and types of partnerships with the community, business, or higher education.
- (15) Teacher licensing, certification, and preparation, including the number of teachers with national board certification.
- (16) The percentage of grade 3 students reading at or above grade 3 level.
- (17) A comparison of ISTEP scores and the dropout rate.
- (18) Other indicators of performance as recommended by the education roundtable (IC 20-1-20.5-3).

SECTION 13. IC 20-10.2 IS ADDED TO THE INDIANA CODE AS A **NEW** ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]:

ARTICLE 10.2. Accountability for School Performance and Improvement

Chapter 1. Applicability

- Sec. 1. The provisions in this article concerning schools apply only to the following:
 - (1) Public schools.
 - (2) Except as provided in IC 20-10.2-4 and IC 20-10.2-6, nonpublic schools that voluntarily become accredited under IC 20-1-1-6.

Chapter 2. Definitions

HEA 1750

- Sec. 1. The definitions in this chapter apply throughout this article.
- Sec. 2. "Annual report" refers to the school corporation annual performance report required by IC 20-1-21.
 - Sec. 3. "Board" has the meaning set forth in IC 20-10.1-1-17.
- Sec. 4. "Department" has the meaning set forth in IC 20-10.1-1-18.
- Sec. 5. "Education roundtable" refers to the education roundtable established by IC 20-1-20.5-3.
 - Sec. 6. "Governing body" has the meaning set forth in



0

p

y

IC 20-10.1-1-5.

Sec. 7. "Nonpublic school" has the meaning set forth in IC 20-10.1-1-3.

Sec. 8. "Parent" has the meaning set forth in IC 20-10.1-1-9.

Sec. 9. "Plan" refers to a strategic and continuous school improvement and achievement plan established under this article for a school or a school corporation.

Sec. 10. "Public school" has the meaning set forth in IC 20-10.1-1-2.

Sec. 11. "School" refers to a public or an accredited nonpublic school.

Sec. 12. "School corporation" has the meaning set forth in IC 20-10.1-1-1.

Sec. 13. "Superintendent" has the meaning set forth in IC 20-10.1-1-6.

Chapter 3. Strategic and Continuous School Improvement and Achievement Plan

- Sec. 1. The principal of each school must coordinate the development of an initial three (3) year strategic and continuous school improvement and achievement plan and coordinate annual review of the plan. The initial plan and annual review must be made with input from a committee of persons interested in the school, including administrators, teachers, parents, and community and business leaders appointed by the principal. Teacher appointments to the committee must be made in accordance with IC 20-7.5-1.
- Sec. 2. (a) The committee described in section 1 of this chapter must submit a school's initial plan to the superintendent by March 1 of the school year before the year of implementation. The superintendent:
 - (1) shall review the plan to ensure that the plan aligns with the school corporation's objectives, goals, and expectations;
 - (2) may make written recommendations of modifications to the plan to ensure alignment; and
 - (3) shall return the plan and any recommendations to the school committee by April 1 of the school year before the year of implementation.
- (b) A school committee may modify the plan to comply with recommendations made by the superintendent under subsection (a).
 - (c) A school committee shall submit:
 - (1) the plan; and











- (2) the written recommendations of the superintendent; to the governing body by May 1 of the school year before the year of implementation.
- (d) An initial plan must be established by June 1 of the school year before the year of implementation. A plan is established by approval of the governing body. The governing body shall approve a plan for each school in the school corporation. When a plan is presented to the governing body, the governing body must either accept or reject the plan and may not revise the plan. A plan is established when written evidence of approval is attached to the plan.

Sec. 3. (a) A plan:

- (1) shall lay out objectives for a three (3) year period; and
- (2) must be annually reviewed and revised to accomplish the achievement objectives of the school.
- (b) A plan must establish objectives for the school to achieve. These achievement objectives must be consistent with academic standards and include improvement in at least the following areas:
 - (1) Attendance rate.
 - (2) The percentage of students meeting academic standards under the ISTEP program (IC 20-10.1-16).
 - (3) For a secondary school, graduation rate.
- (c) A plan must specify how and to what extent the school expects to make continuous improvement in all areas of the education system where results are measured by setting benchmarks for progress on an individual school basis.
- (d) A plan must note specific areas where improvement is needed immediately.
- Sec. 4. (a) A plan may include a request for a waiver of applicability of a rule or statute to a school.
- (b) The governing body may waive any rule adopted by the board for which a waiver is requested in a plan, except for a rule that is characterized as follows:
 - (1) The rule relates to the health or safety of students or school personnel.
 - (2) The rule is a special education rule under 511 IAC 7.
 - (3) Suspension of the rule brings the school into noncompliance with federal statutes or regulations.
 - (4) The rule concerns curriculum or textbooks.
- (c) Upon request of the governing body and pursuant to a plan, the board may waive for a school or a school corporation any statute or rule relating to the following:



- (1) Curriculum.
- (2) Textbook selection.
- Sec. 5. (a) A plan must contain the following components for the school:
 - (1) A list of the statutes and rules that the school wishes to have suspended from operation for the school.
 - (2) A description of the curriculum and information concerning the location of a copy of the curriculum that is available for inspection by members of the public.
 - (3) A description and name of the assessments that will be used in the school in addition to ISTEP assessments.
 - (4) A plan to be submitted to the governing body and made available to all interested members of the public in an easily understood format.
 - (5) A provision to maximize parental participation in the school.
 - (6) For a secondary school, a provision to do the following:
 - (A) Offer courses that allow all students to become eligible to receive an academic honors diploma.
 - (B) Encourage all students to earn an academic honors diploma or complete the Core 40 curriculum.
 - (7) A provision to maintain a safe and disciplined learning environment for students and teachers.
 - (8) A provision for the coordination of technology initiatives and ongoing professional development activities.
- (b) If, for a purpose other than a plan under this chapter, a school has developed materials that are substantially similar to a component listed in subsection (a), the school may substitute those materials for the component listed in subsection (a).
- Sec. 6. The department shall act as a clearinghouse for plans and make effective plans available to school corporations as models to use in developing and carrying out plans.

Chapter 4. Student Educational Achievement Grants

- Sec. 1. This chapter does not apply to a nonpublic school.
- Sec. 2. As used in this chapter, "fund" refers to the student educational achievement fund established under section 4 of this chapter.
- Sec. 3. As used in this chapter, "grant" refers to a student educational achievement grant from the fund.
- Sec. 4. (a) The student educational achievement fund is established to provide funds to stimulate and recognize improved student performance in meeting academic standards under the



ISTEP program. The fund is administered by the department.

- (b) The fund consists of appropriations from the general assembly.
- (c) Money in the fund at the end of a state fiscal year does not revert to the state general fund.
- Sec. 5. The general assembly shall determine the statewide amount available for grants in appropriations beginning during the 2001-2003 biennium. The maximum amount available to a school is determined by referencing the number of full-time certified teaching positions for the school. The department, under the direction of the state superintendent, shall determine the available amounts and distribute the grants earned.
- Sec. 6. (a) The education roundtable shall recommend to the board a system for awarding and distributing grants under this chapter. A system recommended under this section must be based on graduated levels of improvement based on ISTEP program standards and other assessments recommended and approved by the education roundtable.
- (b) The department shall begin distributing grants during the 2002-2003 school year.
- Sec. 7. (a) The education roundtable shall study the use of assessment data by individual student who is assessed for purposes of implementing this chapter, analyzing student performance over time on various assessments, and other purposes developed by the roundtable. The roundtable shall make initial recommendations on the use of assessment data by individual student to the board by June 30, 2000.
- (b) Any recommendation of the roundtable concerning the use of assessment data by individual student must be tested in a pilot project before the recommendation may be implemented on a statewide basis.

Chapter 5. Assessing Improvement

- Sec. 1. (a) The performance of a school's students on ISTEP and other assessments recommended by the education roundtable and approved by the board are the primary and majority means of assessing a school's improvement.
- (b) The education roundtable shall examine and make recommendations to the board concerning:
 - (1) performance indicators that shall be used as secondary means of determining school progress;
 - (2) expected progress levels, continuous improvement measures, distributional performance levels, and absolute











performance levels for schools; and

- (3) an orderly transition from the performance based accreditation system to the assessment system set forth in this article.
- (c) The education roundtable shall consider methods of measuring improvement and progress used in other states in developing recommendations under this section.
- (d) The education roundtable shall make recommendations to the board byJune 30, 2000.
- (e) The board shall adopt rules under IC 4-22-2 to implement the recommendations of the education roundtable by January 1, 2001.
- Sec. 2. (a) In addition to scores on ISTEP and other assessments, the department shall use the performance indicators developed under section 1 of this chapter and the benchmarks and indicators of performance in each school corporation's annual performance report as secondary means of assessing the improvement of each school and school corporation.
- (b) The department shall assess improvement in the following manner:
 - (1) Compare each school and each school corporation to its own prior performance and not to the performance of other schools or school corporations.
 - (2) Compare the actual results in the annual report under IC 20-1-21 with the benchmarks and indicators of performance established in the plan for the same school.
 - (3) Compare the results for a school by comparing each student's results for each grade with the student's prior year results, with an adjustment for student mobility rate. The roundtable shall make recommendations concerning the incorporation of a statistical adjustment for student mobility rates into the results.
 - (4) Compare the results for a school to the state average and the ninety-fifth percentile level for all assessments and performance indicators.
- Sec. 3. The board shall establish a number of categories or designations of school improvement based on the improvement that a school makes in performance on the measures determined by the board with the advice of the education roundtable. The categories or designations must reflect various levels of improvement.
 - Sec. 4. The board shall place each school in a category or



designation of school improvement based upon the department's findings from the assessment of the improvement of each school under section 3 of this chapter. The board must place those schools that do not show improvement and in which less than ninety percent (90%) of the students meet academic standards in the lowest category or designation.

Chapter 6. Consequences

- Sec. 1. This chapter does not apply to a nonpublic school.
- Sec. 2. (a) This section applies the first year that a school is placed in the lowest category or designation of school improvement.
- (b) The board shall place the school and the school corporation on notice that the school is in the lowest category or designation of school improvement. Upon receiving the notice, the governing body shall:
 - (1) issue a public notice of the school's lack of improvement; and
 - (2) hold a public hearing in which public testimony is received concerning the lack of improvement.
- (c) The committee that developed the school's plan under IC 20-10.2-3 shall revise the school's plan. A revision under this subsection may include any of the following:
 - (1) Shifting resources.
 - (2) Changing personnel.
 - (3) A request to the board to appoint an outside team to manage the school or assist in the development of a new plan.
- (d) If the governing body approves a request for the board to appoint an outside team under subsection (c)(3), the school is considered to be placed under section 3 of this chapter.
- Sec. 3. (a) This section applies if, in the third year after initial placement in the lowest category or designation, a school still remains in the lowest category or designation.
- (b) The board shall establish and assign an expert team to the school. The expert team:
 - (1) must include representatives from the community or region that the school serves; and
 - (2) may include:
 - (A) school superintendents, members of governing bodies, and teachers from school corporations that are in high categories or designations; and
 - (B) special consultants or advisers.
 - (c) The expert team shall:



- (1) assist the school in revising the school's plan; and
- (2) recommend changes, including the reallocation of resources or requests for technical assistance, in the school that will promote improvement.
- Sec. 4. (a) This section applies if in the fifth year after initial placement in the lowest category or designation, a school still remains in the lowest category or designation.
 - (b) The board shall do the following:
 - (1) Hold at least one (1) public hearing in the school corporation where the school is located to consider and hear testimony concerning the following options for school improvement:
 - (A) Merging the school with a nearby school that is in a higher category.
 - (B) Assigning a special management team to operate all or part of the school.
 - $(\ensuremath{\mathbf{C}})$ The department's recommendations for improving the school.
 - (D) Other options for school improvement expressed at the public hearing, including closing the school.
 - (E) Revising the school's plan in any of the following areas:
 - (i) Changes in school procedures or operations.
 - (ii) Professional development.
 - (iii) Intervention for individual teachers or administrators.
 - (2) If the board determines that intervention will improve the school, implement one (1) or more of the options listed in subdivision (1).

Chapter 7. Rules

Sec. 1. The board may adopt rules under IC 4-22-2 to implement this article.

SECTION 14. IC 20-10.1-26-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 4. A pilot program eligible to be funded under this chapter must include all of the following:

- (1) School based management models.
- (2) Parental involvement strategies.
- (3) Innovative integration of curricula, individualized education programs, nonstandard courses, or textbook adoption in the school improvement plan described under IC 20-1-1.2-7(a)(2)(G). IC 20-1-1.2-7(7).
- (4) Training for participants to become effective members on









school/community improvement councils.

SECTION 15. THE FOLLOWING ARE REPEALED [EFFECTIVE JULY 1, 1999]: IC 20-1-1.2-5; IC 20-10.1-4.1.

SECTION 16. [EFFECTIVE JULY 1, 1999] (a) Before June 30, 2000, the Indiana state board of education (as defined in IC 20-10.1-1-17) shall obtain an independent evaluation of all state education programs and policies for the purpose of:

- (1) strengthening the state accountability program; and
- (2) aligning the accountability program with state education goals as expressed in the state standards and assessment programs.
- (b) The evaluation must do the following:
 - (1) Focus on analyzing:
 - (A) whether state programs and policies are aligned with the state's educational goals; and
 - (B) whether and to what degree each state program or policy produces the intended results.
 - (2) Include recommendations and analysis of program funding compared to outcomes.
 - (3) Include recommendations on how state programs or policies may be improved or restructured.

SECTION 17. [EFFECTIVE UPON PASSAGE] (a) Notwithstanding IC 20-1-1-6.3, as amended by this act, a school that is designated an Indiana school academic improvement school on June 30, 1999, continues as an Indiana school academic improvement school until June 30, 2002, if the school continues to meet the requirements of IC 20-1-1-6.3 as it existed on June 30, 1999.

(b) This SECTION expires July 1, 2002. SECTION 18. An emergency is declared for this act.



